

FINANCE AND ADMINISTRATION - MANAGEMENT SERVICES (610)
2011-13 BIENNIUM - Executive Recommendation

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The function of the Division of Management Services is to operate control management systems for State Government by providing assistance to all State Agencies in the management of their funds, personnel, and property, while exercising certain statutory controls over the agencies in these areas.

TOTAL BIENNIAL BUDGET

The total budget of the Division of Management Services is \$2,270,609,697 for each year of the biennium.

FUNDING SOURCE

The primary source of funding is through Agency payroll paying accounts (96% or \$2.1 billion). State Central Services Fund comprises 3% of this amount. Remaining revenue sources are federal funds of 1%, General Revenues of >1%, with the rest coming from cash funds, fund balances, and non-revenue receipts.

II) CHANGES/APPROPRIATIONS

1. The operations appropriation, funded from the State Central Services fund for \$20,884,035 each year of the biennium has no changes.
2. Dept. of Justice Non-Victim Assistance Grants - federally funded program has a change level increase in appropriation and funding of \$11,104,932 each year to cover:
 - a. Additional ARRA funding to support Edward Byrne Memorial Grant Program awards from Intergovernmental Services to sub-recipients.
 - b. Two new positions to accommodate increased project management and oversight responsibilities, including on-site monitoring required by federal agencies.
3. Victims of Crime Justice Assistance - state - general revenue funded program has a change level of \$309,196 each year in appropriation and general revenue funding to provide the state match for the Victims of Crime Justice Assistance Program which receives federal funds for statewide violence prevention activities.
4. Victims of Crime Justice Assistance - federally funded program has a change level increase in appropriation and funding of \$2,867,535 each year to cover:
 - a. Non-American Recovery and Reinvestment Act (ARRA) federal award increases (\$965,625 each year).
 - b. Additional ARRA funding to support Victims of Crime and STOP Violence Against Women and Family Violence and Prevention awards from Intergovernmental Services to sub-recipients. The increase

will also support a new position to provide increased project management and oversight responsibilities, including on-site monitoring required by federal agencies.

5. New Federally funded Information Technology Projects appropriation has a change level increase of \$2,406,608 each year to facilitate the state's ability to improve the security and integrity of driver's license and identification card issuance processes.

6. AASIS operations appropriation, funded from the **State central services fund** for \$5,272,108 each year, has a transfer of one (1) Administrator position from the Department of Information Systems to the Department of Finance and Administration.

7. New general revenue funded State Health Information Exchange appropriation of \$600,000 each year, provides the state match for the State Health Information Exchange which receives ARRA funds to encourage the use of information technology in Arkansas' healthcare sector.

8. New federally funded State Health Information Exchange appropriation of \$7,909,401 each year to set up the Arkansas Office of Health Information Technology, which will be responsible for carrying out the terms of the State Cooperative Agreement to Promote Health Information Technology, plan and implement projects as required under ARRA.

III) ADDITIONAL POSITIONS

Total positions for FY 2009-2011: 445

Total positions for FY 2011-2013: 455

Increase/(Decrease): 10

IV) SPECIAL LANGUAGE

1. Requires Department of Finance and Administration to consult with legislative auditor and director of budget function of Bureau of Legislative Research during process for any new statewide accounting system.

2. States funds appropriated for Drug Law Enforcement Matching grants shall be used for matching funds for administering Federal grants. Provides 100% match for state agencies, 60% match for local governments. Amounts transferred to state agencies or paid to local governments determined by Arkansas Alcohol and Drug Abuse Coordinating Council or oversight agency designated by the Governor. Includes carry-forward provision for any unexpended balances.

3. Contingency restriction regarding Marketing and Redistribution Special Maintenance Expenditures Commitment Item.

4. States the Legislative Auditor and the Chief Fiscal Officer of the State shall jointly select the independent auditor to audit the Comprehensive Annual Financial Report (CAFR).